



State of Wisconsin
Department of Commerce
DIVISION OF COMMUNITY DEVELOPMENT

HOUSING COST REDUCTION INITIATIVE (HCRI)

PROGRAM DESCRIPTION

The Housing Cost Reduction Initiative (HCRI) was created in 1989, by the Governor and Wisconsin Legislature, to provide housing assistance to low- and moderate-income households in the state. Assistance falls under two general categories:

- Home ownership, including: down payment, closing cost, mortgage principal or interest, foreclosure prevention, and utility cost assistance.
- Rental aid, including: security deposit assistance, short-term rental support, and utility payment.

This is a competitive program supervised by the Wisconsin Department of Commerce. About \$2.8 million is available for distribution each year. Funding decisions are generally made in Spring and contracts begin in July of each year.

ELIGIBLE APPLICANTS

The program is open to nonprofit and for-profit housing organizations (including limited-equity cooperatives), housing authorities, local governments, tribal governments, community action agencies, and religious organizations. These local agencies provide direct assistance to households. Funds are also available for administrative purposes including limited housing counseling activities.

Since 1993, HCRI funds have been awarded through a single application in conjunction with federal HOME Investment Partnerships Program Homebuyer grants. HOME Homebuyer funds may be used to assist low- and moderate-income households to acquire, construct, purchase and/or rehabilitate single-family, owner-occupied homes. It also helps the state meet its federal match requirements.

The HCRI program stresses locally designed programs to meet local needs. This flexibility has made it an attractive and competitive program. Requests for funding far exceed the amounts available for assistance each year. Only about one application out of every three received each year is awarded a grant. Awards have ranged from \$9,200 to over \$500,000 with a typical award averaging about \$110,000 for a 24 month period.

The Division's philosophy is to allow the maximum flexibility possible, encouraging organizations to devise programs that best respond to local housing problems. In keeping with the philosophy, the Division has attempted to draw up program guidelines as broadly as possible, within limits set by state statutes.

KEY ELEMENTS

- An emphasis on serving the lowest-income households. The upper household income limit under this program is 80% of County Median Income. Adjustments to income can be made for households that have high medical or other support costs.
- To the extent possible, applicants are encouraged to cooperate with other organizations in developing proposals and in implementing HCRI-supported programs, as well as combining HCRI funds with other housing assistance, counseling, and supportive service programs.
- These are one-time grants to organizations! They should not be construed as a continuing commitment from the state. Applicants should carefully consider how households assisted under this program will be affected after HCRI funds have been expended.
- Organizations must base the level of assistance made to each household at least in part upon household income and actual housing costs.
- HCRI grants can not be used to pay for development or capital improvement costs.
- Proposals should promote and facilitate the movement of persons to more permanent, more self-sufficient, more appropriate, and more affordable living arrangements. All persons receiving assistance must occupy housing that is decent, safe and sanitary.
- Program beneficiaries should be involved in the planning, development, or management of the housing activities, to the extent possible.
- Organizations should have a good management track record.
- Activities funded under this program will be in conformance with the State of Wisconsin Consolidated Plan.

For program information, contact:

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